

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.27 (+07 bps)	GNMA (30 Yr) 6% Coupon:	112-20/32 (1.84%)
6 Mo. T-Bill:	0.36 (-01 bps)	Duration:	3.78 years
1 Yr. T-Bill:	0.53 (+02 bps)	Bond Buyer 40 Yield:	3.88 (-03 bps)
2 Yr. T-Note:	0.75 (+01 bps)	Crude Oil Futures:	46.21 (+1.55)
3 Yr. T-Note:	0.90 (+02 bps)	Gold Spot:	1,272.70 (-21.3)
5 Yr. T-Note:	1.21 (-02 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.70 (-08 bps)	U.S. High Yield:	7.96% (-07 bps)
30 Yr. T-Bond:	2.55 (-08 bps)	BB:	5.56% (-08 bps)
		B:	7.79% (-06 bps)

Treasury prices rose slightly over the course of the week as negative yields on international government debt increased demand for long-term U.S. notes. U.S. government bonds strengthened Monday, boosted by a broad price decline in commodities. U.S. government bonds were little changed on Tuesday as solid demand on a three-year note auction offset higher stock and oil prices. A \$23 billion sale of 10-year Treasury auction set a record attracting a massive 73.5% indirect bidding on Wednesday. The encouraging reading illustrates how investors overseas continue to struggle to obtain income from high-grade government debt despite low yields globally. Jobless claims unexpectedly rose last week to the highest level since February 2015, following a deceleration in hiring in April. The jump in filings may reflect a strike by workers at Verizon Communications Inc. and late spring break at schools. Despite the unexpected increase, initial jobless claims remain at historically low levels and the rise can be dismissed for now. Upward revisions to February and March also improved the trajectory in the first quarter. Consumer confidence beat expectations, rising nearly to a one-year high, as Americans grew upbeat about incomes and inflation. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: May Empire Manufacturing; Tuesday: April Housing Starts (1125k), April CPI (0.4% MoM), April Industrial Production (0.3% MoM) Wednesday: May 13th MBA Mortgage Applications; Thursday: May 14th Initial Jobless Claims (275k); April Leading Index (0.4%); Friday: April Existing Home Sales (5.39M).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,535.32 (-1.04%)	Strong Sectors:	Utilities, Consumer Staples, Health Care
S&P 500:	2,046.61 (-0.44%)	Weak Sectors:	Consumer Discretionary, Financials, Industrials
S&P Midcap:	1,440.60 (-0.79%)	NYSE Advance/Decline:	1,361 / 1,793
S&P Smallcap:	677.30 (-1.50%)	NYSE New Highs/New Lows:	445 / 80
NASDAQ Comp:	4,717.68 (-0.36%)	AAll Bulls/Bears:	20.4% / 31.3%
Russell 2000:	1,102.44 (-1.06%)		

Last week the S&P 500 Index rallied early, but cut those gains and declined Wednesday, Thursday, and Friday. The index posted a -0.44% return for the week and is down -0.77% through the first half of May. The index has gained 0.96% YTD through the middle of May 2016. Monday showed a slight increase as health care stocks led the market. Energy and mining stocks were a drag on the index due to weakness in oil and gold prices. Tuesday markets opened higher as strong news out of Asia pushed up European markets. Crude erased its Monday losses and stable gold prices lifted mining stocks. Disney announced its quarterly earnings at the close and the stock price fell 4.04% after missing expectations. The market opened lower Wednesday after disappointing earnings releases from retail and media companies. European markets were also weak as investors moved from stocks to commodities. Stocks were flat at close on Thursday. Consumer stocks rebounded after dragging down the indexes the previous day. NVIDIA Corp released earnings with an upside surprise over analyst expectations. The stock boosted the technology sector, but was not enough to offset the losses from Tuesday's weekly high. Stocks continued to decline on Friday on economic data as the S&P 500 Index returned -0.84%. Retail sales had their biggest gain during the past year as purchases climbed 1.3% MoM from last month. The median forecasted growth in retail sales was 0.8% as surveyed by Bloomberg. Crude oil closed the week at \$46.21 a barrel, increasing 3.47% from the previous week's close. Seven of the ten economic sectors had negative performance for the week. The utilities sector was the best performing sector with a 1.09% return. The consumer staples and health care sectors followed with 0.05% and 0.01% returns, respectively. The consumer discretionary sector's -1.38% return was the worst performance of all the sectors and was followed by financials and industrials which returned -1.05% and -0.96%, respectively. **Electronic Arts Inc.**, a video game and software developed, turned in the best performance in the S&P 500 Index with a 17.61% gain. The stock jumped over 13% on Tuesday's earning release. The next two best performers were **NVIDIA Corp.** and **Monsanto Co.** with returns of 15.99% and 11.35%, respectively.